



Digitally yours

THE MARKET

The electronics and home appliances market in the Philippines is highly competitive. More and more players are entering the market every year, all competing to win the patronage of a sometimes fickle-minded buying public. And because many Filipinos have the penchant to follow trends, competing companies are compelled to continuously innovate.

Although a relatively young brand, LG Electronics stands out by virtue of its dedication to innovation. Guided by its "Digital LG" vision, the company devotes its resources to the advancement of digital technology. LG is firm in its commitment to provide consumers with efficient and user friendly products that will make modern-day life more comfortable and manageable.

ACHIEVEMENTS

Since its establishment over 40 years ago, LG Electronics has been leading Korea's consumer electronics industry. Its sales, totaling a mere US\$59,000 in 1959, have increased yearly, reaching over US\$14 billion in 2000.

The first company in Korea to produce vacuum-tube radios in 1959, LG Electronics was also the first Korean company to produce refrigerators, black-and-white televisions, air conditioners, personal computers and CD-ROM drives, accumulating related technologies. Through ceaseless research and development, the company has become a world leader in digital electronics, developing the world's first IC for digital TVs in 1997 and the 60-inch PDP in 1998.

In the Philippines, LG Electronics has grown remarkably under its local joint-venture company, LG Collins Electronics. It currently ranks among the top companies in consumer electronics and home appliances, being among the top 5 in color TVs, top 3 in air conditioners and washing machines, and is the market leader in no-frost refrigerators.

HISTORY

In 1958, the modern era of the electronics industry began in Korea, then a country suffering from the vestiges of the Korean War, with the birth of Gold Star. The strong commitment to the promotion of electronics—an essential

part of modern life—by the first chairman, In-hyun Koo, became the guiding light in fostering the electronics industry in Korea. Armed with pioneer spirit, it began to open new horizons for the Korean electronics industry and has not looked back since.

In 1995, the company changed its name from GoldStar to LG Electronics in order to establish a new brand identity that suited its campaign to become a truly global company. Merging with LG Information and Communications in September 2000, LG Electronics now has six companies under an accountability-based business management system. These six companies are: Digital Display, Digital Appliance, Digital Media, Digital System, Mobile Handsets and Digital Network. LG Electronics now has over 55,000 employees working in 72 overseas subsidiaries and marketing units around the world, as well as its business units in Korea.

THE PRODUCT

LG Electronics manufactures products that are as diverse as the company itself.

LG creates a new dimension in home entertainment with its wide range of audio-video products that fit the need of every consumer. The PLATINUM line of conventional televisions aimed at the mass market provides unique features that no other brand can match. Its "Golden Eye Plus" feature intelligently analyzes lighting ambience and automatically adjusts picture brightness for eyestrain-free viewing, perfect picture clarity and low power consumption.

Another innovation LG has introduced is the "SWING" television equipped with a built-in swivel base.

For those with discriminating taste, LG offers the FLATRON true flat TV. This flat-screen television not

only offers eyestrain and distortion-free images, it also has outstanding features such as Digital Eye, Digital Comb Filter, Dynamic Focus, Digital Audio Sound Processor, Sound Equalizer and Dome Sound speakers. All these and more prove LG FLATRON's superiority over its competitors, both in picture clarity and sound realism. LG also has the V-FUSION which combines the technologies of VHS and VCD. With this product, a person can record VCD to VHS with just a push of a button, play MP-3, and sing-along with gusto.

LG has also introduced the latest in home karaoke system. The NKS features the latest in data compression technology: storing over 3,000 songs on one VCD disc. Literally putting up a karaoke lounge right in your living room!

LG also develops and produces electric and electronic appliances to make homes around the world more comfortable. The company's market shares of major products, including washing machines, air conditioners and refrigerators, are ranked first in more than 40 countries, thanks to the company's proactive marketing strategy for globalization and localization.





In the Philippines, LG markets innovative home appliances with unique features aimed at bringing comfort into every home. The LG Door Cooling refrigerator features a patented cooling system with cold air ducts at the door of the refrigerator. This results in up to 45% faster cooling which locks in the freshness of food up to 2 times longer. The temperature is also kept 75% more stable, resulting in even cooling throughout the refrigerator.

The LG Gold Fin Room air conditioner is another innovative product that surpasses typical expectations. It not only cools effectively, it also has a treated heat exchanger that resists rust up to two times longer, ensuring that your aircon continues to give cool, quiet comfort for years.

The LG Split Type aircon not only has the unique Gold Fin heat exchanger, it also has a unique Plasma air purifying system that removes dirt, pollutants and even cigarette smoke from the air. Its filter is so powerful that it can block particles as small as 0.01 micron!

Another unique product LG has introduced is the Turbo Drum washing machine that has a wash tub that rotates during washing. This distinct washing system not only increases washing effectiveness by 20%, it is also

very gentle on clothes, minimizing damage by over 50%.

RECENT DEVELOPMENTS

LG Electronics is at the forefront of home networks which represent the consumer electronics of the future. The company has already come out with the Digital DIOS Refrigerator equipped with a touch screen LCD panel that allows users to shop on-line, make video phone calls and watch TV broadcasts. The Internet Turbo Drum washing machine, on the other hand, can download washing instructions for different laundry loads. LG Electronics has also completed development of Internet-accessible air conditioners and microwave ovens and continue to develop new appliances that incorporate digital technology to make life more comfortable and enjoyable.

LG Electronics has also invested heavily in the development of digital TVs which are at the center of home networks. As a result, the company now possesses such core technology as the VSB chip and has been among the first to put digital TVs on the domestic and overseas markets.

These TVs have been enthusiastically received in the United States and United Kingdom. Importantly, LG

Electronics has commercialized plasma display panels, thin-film-transistor liquid crystal displays and Braun tubes for digital TVs, laying the groundwork for vertically-integrated production.

In addition, it launched digital TVs in the United States under the Zenith brand name as part of efforts to assume leadership of the world digital TV market.

A milestone achievement of LG is its development of the world's first 60" Plasma Display Panel in 1998. The FLATRON Plasma screen boasts 2 to 3 times the brightness of other screens and an enormous, distortion-free viewing angle of 160 degree. Careful use of components and a special manufacturing process has also enabled LG to produce the world's thinnest plasma TV at only 7.8 centimeters thick. FLATRON Plasma fits easily in any location and can also be mounted on the wall or even on the ceiling.

PROMOTION

In keeping with its civic duty of promoting the value of education among the Filipino

youth, LG Collins Electronics Manila launched the Digital LG Quiz in October 1999. This weekly quiz show airs over GMA 7 and has had over 200 public and private high schools from all over the country competing for the top prize. The public response to the show has been tremendous, with

the Digital LG Quiz Show becoming a finalist for "Best Game Show" in the 2000 Star Awards for TV.

The Digital LG Quiz showcases the biggest prize pot in Philippine TV quiz history: a total of P4 million in cash, scholarships and home appliances for the winning contestants and their schools. In a year, LG gives away more than P1 million in cash and over 100 television sets to weekly winners and their respective schools. The grand prize winner stands to receive a scholarship worth US\$32,000, while the three other finalists can get US\$3,200 in scholarship money.

BRAND VALUES

"Digital LG" is the vision that LG Electronics is striving to achieve. To this end, the company has laid the groundwork for a solid digital business by acquiring core technology, bolstering the financial structure, and implementing a "digital" corporate culture. In its quest to achieve global digital leadership, LG Electronics has been the first to develop and market digital televisions, home appliances with Internet access, and other digital products. With LG, digital technology is no longer a dream, it is now a reality.

Dreams have always added zest to life. The moment dreams come true, the quality of life is enriched immensely. LG Electronics is creating dreams today that can be your reality tomorrow. A personalized world... A world where things are possible anytime, anywhere... A world that brings people together.



THINGS YOU DIDN'T KNOW ABOUT LG COLLINS

- LG's company logo represents "The Face of the Future". The letters L and G in a circle symbolize the World, the Future, Humanity and Technology.
- In 1970, LG manufactured and marketed the combined TV, radio and cassette player which was named "Rateca".
- LG's first black and white TV set was introduced in 1966 and carried a tag price of 66,000 Korean won.

To fight global warming, the people of the world agree on one thing.



With all the best features to give you years of trouble-free, reliable, quiet and economical cooling, LG aircon sets are your best investment, the price of mind as well. That's why it comes as no surprise that LG aircon is preferred in 24 countries worldwide, selling over 4 million units in year 2000 alone. So why not try an LG aircon? Four million reasons can't be wrong.



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